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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

December 2, 1997

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

**ORIGINAL**

Re: Notice of Ex Parte Communication;  
Broadband PCS C and F Block Installment  
Payment Restructuring; WT Docket No. 97-82

Dear Ms. Salas:

NextWave Telecom Inc.

On behalf of NextWave Telecom Inc. ("NextWave"), Janice Obuchowski and Michael Regan met yesterday with Commissioner Michael Powell, his Special Assistant, Paul Jackson, and his wireless Legal Advisor, Peter Tenhula. The purpose of the meeting was to introduce the Commissioner to NextWave's business case. The attached material was distributed during the meeting.

An original and two copies of this memorandum and attached material are being filed in the above-captioned docket today. Please direct any questions concerning this matter to me, at 202-347-2771.

Sincerely,

Michael R. Wack  
Vice President, Regulation

cc: Commissioner Powell  
Peter Tenhula  
Paul Jackson

7700 Little River Turnpike, Suite 604  
Annandale, Virginia 22003

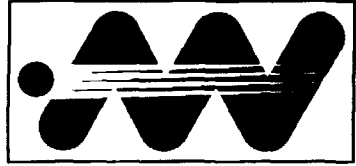
Tel. 703.642.0077

Fax. 703.642.0184

www.nextwavetel.com

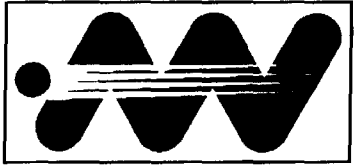
Attachment

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## NextWave Telecom Inc.

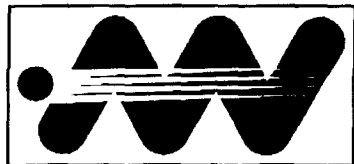
- ➔ Founded in 1995 to build and operate PCS networks
- ➔ Paid \$500 million to U.S. Treasury for licenses thus far
- ➔ Third largest number of licensed POPs among cellular and PCS licensees in the U.S. after AT&T and Sprint
- ➔ 163 million POPs covering 95 markets
- ➔ Highest concentration of POPs in major cities of any wireless carrier



# Convergence of Developments

- ➔ Telecom Reform Act
- ➔ New PCS Spectrum
- ➔ Low Cost, Fixed Government Financing
- ➔ CDMA Commercialized
- ➔ Trend for Brands to Bundle

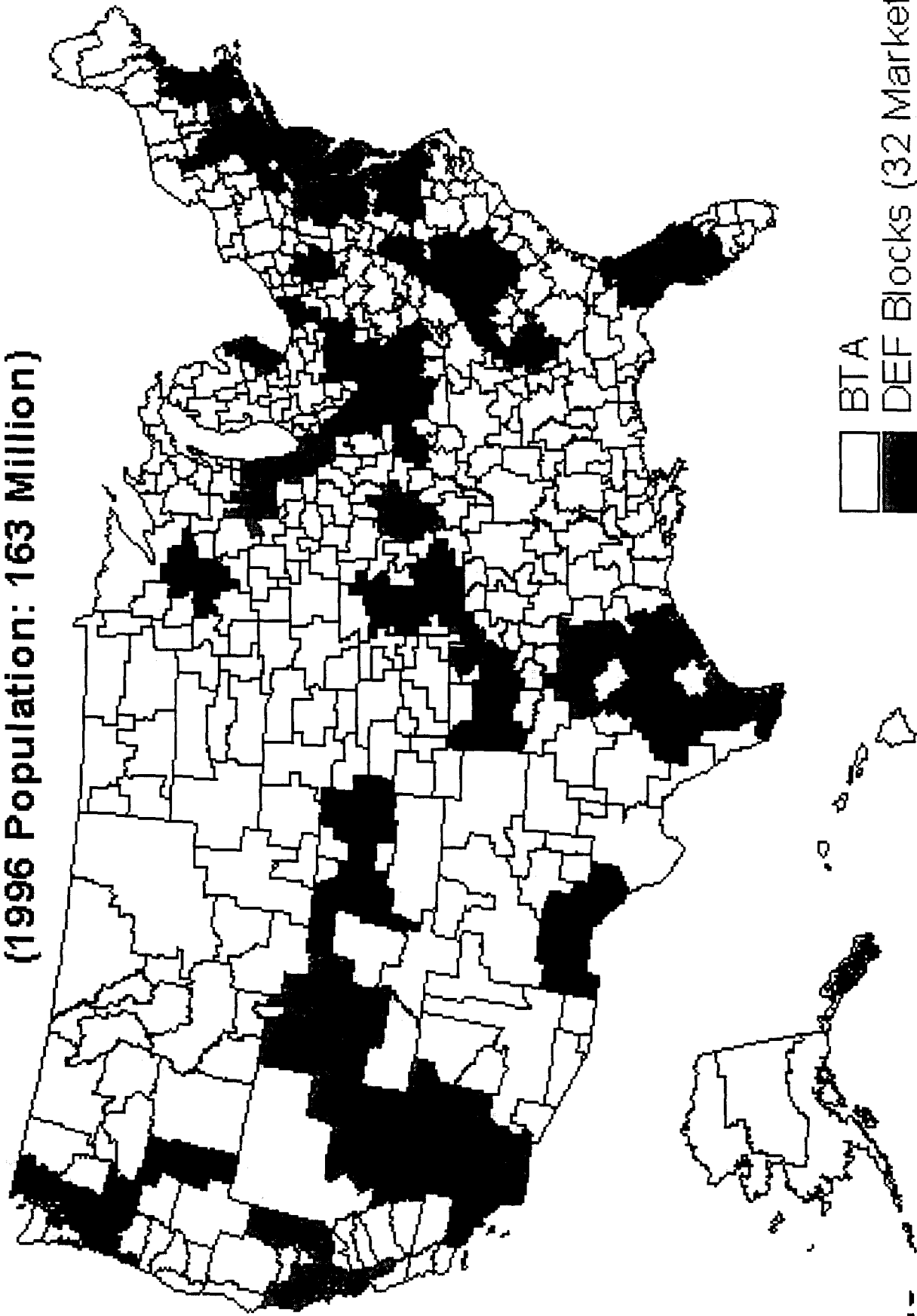
Result: Strong, unsatisfied demand for resale minutes. Mission to wholesale low cost, high quality wireless MOUs



# Broadband PCS Payments To-Date

<u>Rank</u>	<u>Company Name</u>	<u>AB-Block Amount Paid</u>	<u>C-Block Amount Paid</u>	<u>DEF-Block Amount Paid</u>	<u>TOTAL</u>
1	Sprint	\$ 2,211,622,053	\$ -	\$ 544,200,663	\$ 2,755,822,716
2	AT&T Wireless	\$ 1,684,418,000	\$ -	\$ 406,773,532	\$ 2,091,191,532
3	PCS PrimeCo	\$ 1,103,373,896	\$ -	\$ -	\$ 1,103,373,896
4	PacTel	\$ 695,650,000	\$ -	\$ -	\$ 695,650,000
5	<b>NextWave</b>	\$ -	\$ 474,364,803	\$ 30,419,950	\$ 504,784,753
6	Powertel	\$ 416,343,449	\$ -	\$ 31,250,616	\$ 447,594,065
7	Aerial	\$ 289,140,034	\$ -	\$ -	\$ 289,140,034
8	BellSouth	\$ 82,056,001	\$ -	\$ 205,144,775	\$ 287,200,776
9	Cox Communications	\$ 256,996,526	\$ -	\$ -	\$ 256,996,526
10	Omnipoint Communications	\$ 40,000,000	\$ 50,913,326	\$ 121,963,235	\$ 212,876,561
11	Western Wireless	\$ 88,636,090	\$ -	\$ 80,862,731	\$ 169,498,821
12	Ameritech	\$ 158,100,000	\$ -	\$ -	\$ 158,100,000
13	Pocket Communications	\$ -	\$ 142,676,289	\$ -	\$ 142,676,289
14	GTE	\$ 106,355,002	\$ -	\$ -	\$ 106,355,002
15	General Wireless, Inc.	\$ -	\$ 105,965,775	\$ -	\$ 105,965,775

# NextWave's PCS Markets (1996 Population: 163 Million)

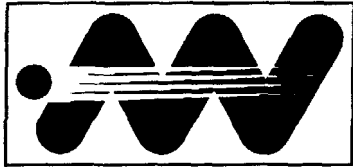


NextWave's PCS Markets are defined by the Federal Communications Commission (FCC) and are subject to change. NextWave's PCS Markets are defined by the FCC and are subject to change. NextWave's PCS Markets are defined by the FCC and are subject to change.



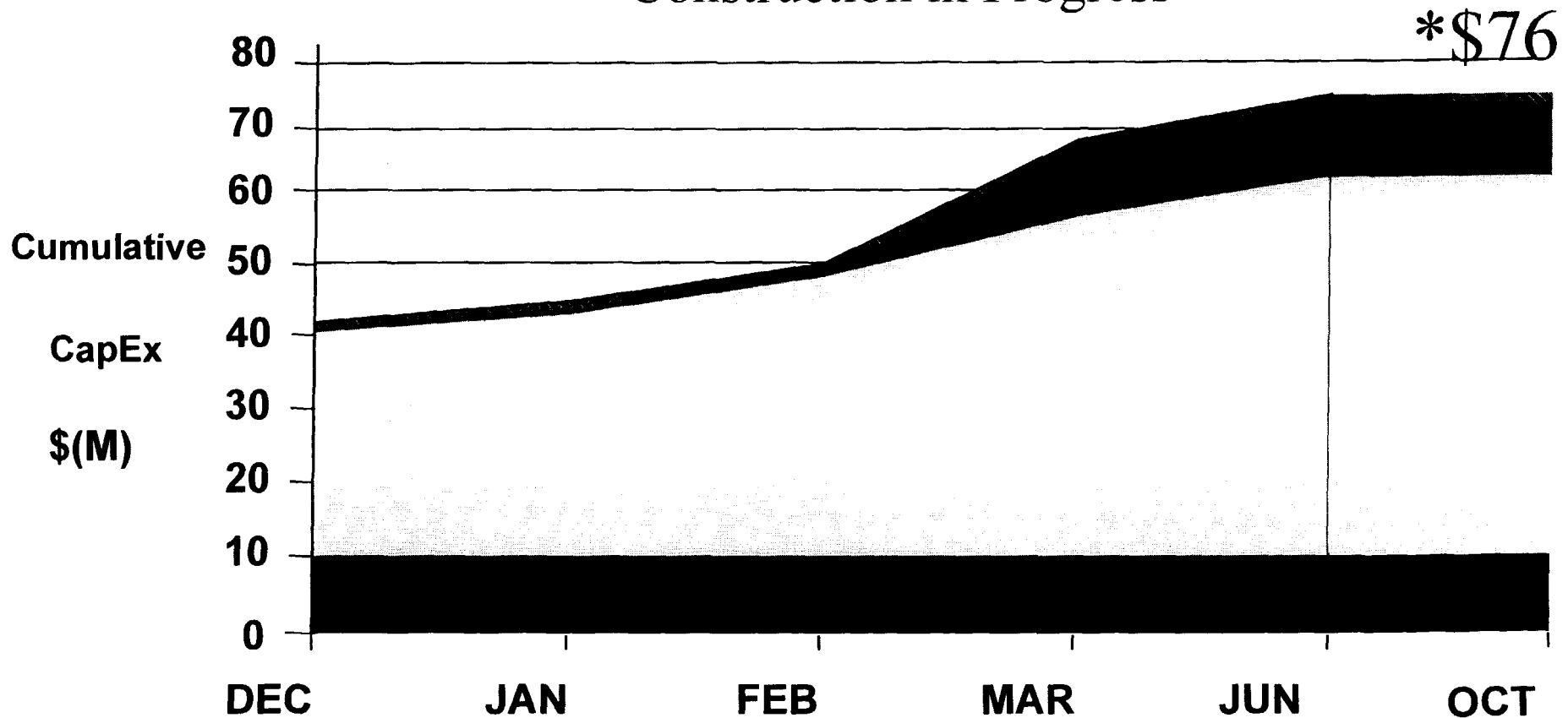
NextWave Telecommunications Inc.

BTA  
DEF Blocks (32 Markets)  
C-Block (163 Markets)  
[www.nextwave.net](http://www.nextwave.net)



# NextWave Capital Investment

## Construction in Progress



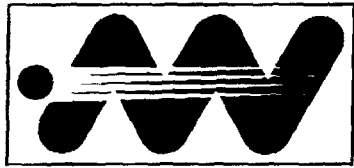
\*\$76

 Equipment

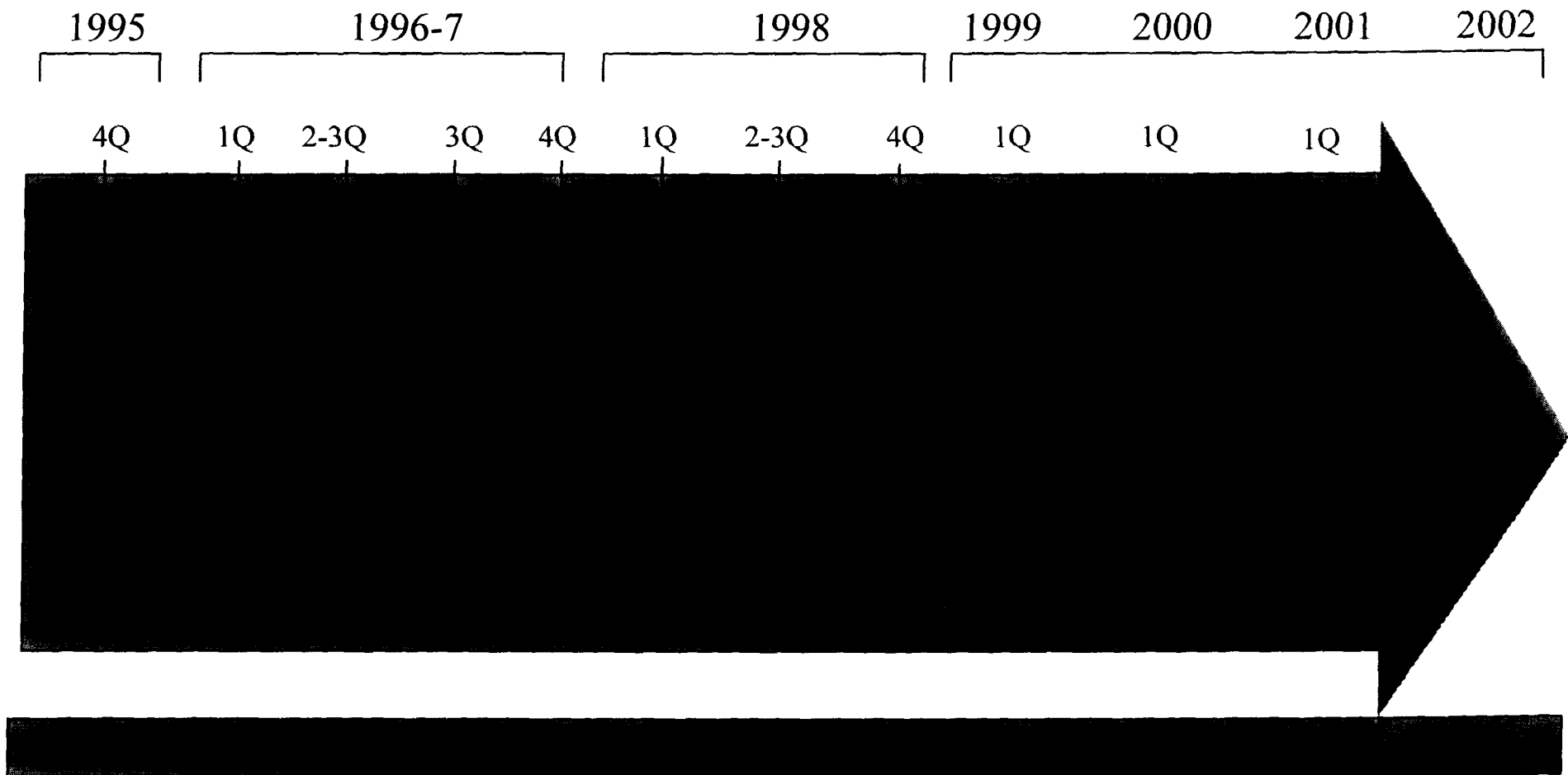
 Network Buildout

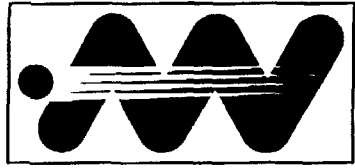
 Non-Network

\* Estimate



# Network Buildout Plan

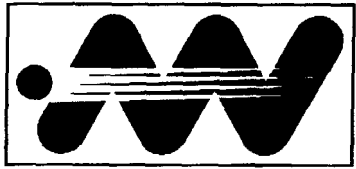




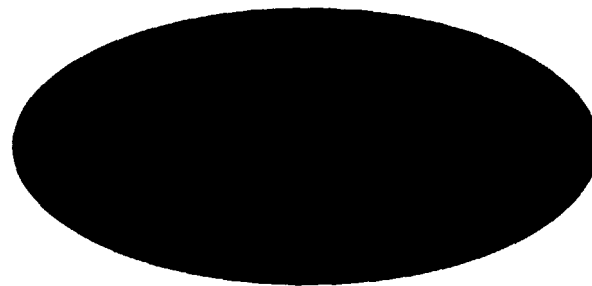
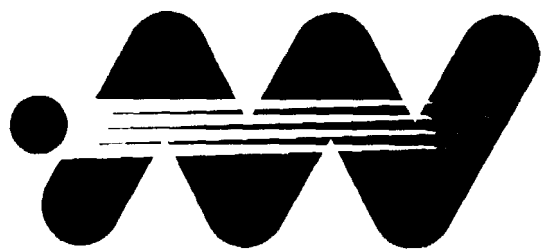
# Why is Wireless only 1.4% of Total Minutes?

- ➔ Can't be insufficient demand (Service is highly price elastic)
- ➔ It's the distribution bottleneck (97% of all subscribers via carrier's own brand, marketing/sales very inefficient, highest cost of operation)





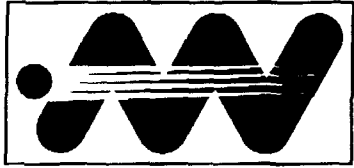
# Carriers' Carrier Business Model



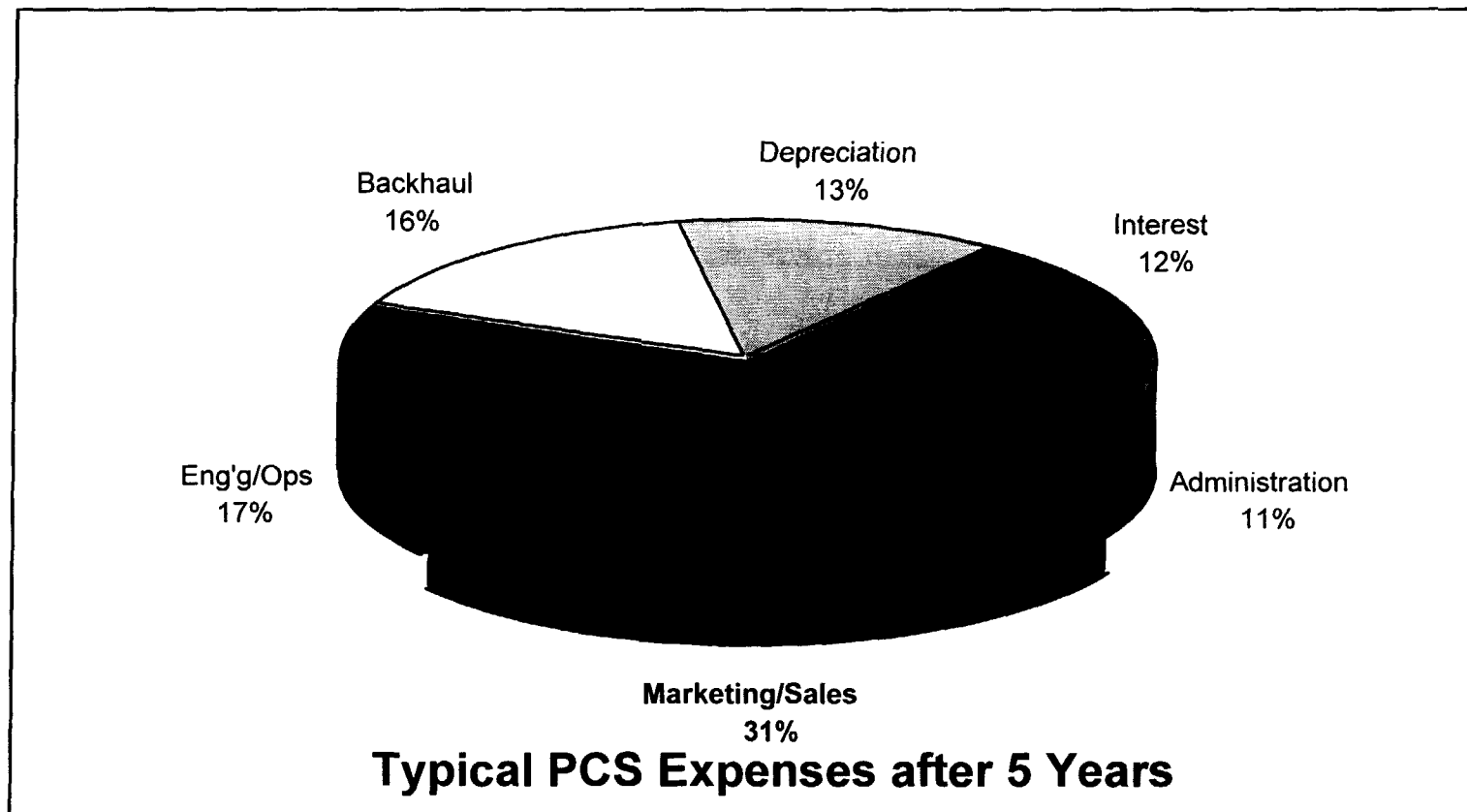
Subscribers

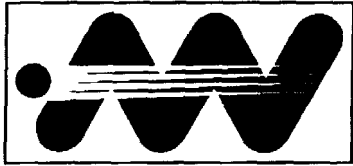
- ➔ Network Operator
- ➔ High Volume, Low Cost
- ➔ Enhanced Services

- ➔ Brand Name
- ➔ Marketing, Sales, Distribution
- ➔ Billing, Customer Care, Enhanced Services



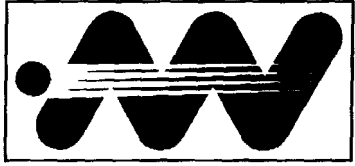
# Resale Strategy Reduces Market Entry Barriers for Small Businesses, Women and Minorities





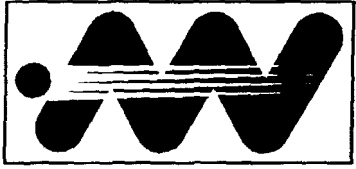
# Reseller Account Summary

<b>Reseller</b>	<b>Expected Operations Base</b>
2001 Personal Communications	TX
American Cellular Rental	CA
CalTech International	Southwest/MidWest
Cellexis	Nationwide
Cellnet of Ohio	OH
COMAV	North East, OH
CX Systems	FL
Digital Comm. Network	CA
ECC/PCN	North East
Excel	Nationwide
Federal Network	Nationwide
Florida Wireless	FL
Fox Communications	Nationwide
MCI	Nationwide
New Wave	NY
OneStop	Nationwide
Preferred Cellular	CA
Prepay Technologies	CA
Prime Matrix	CA
RFW	MO, NY
SmarTalk	Nationwide
United Calling Network	Nationwide
Wireless Nation	NY
Wireless Outlet	Nationwide
Wireless Ventures	OH, NY



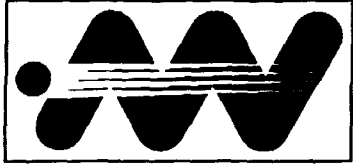
# PCS Opportunity for Resellers

- ➔ PCS and long distance, for example, are perfect bundled offering; 90%+ of AirTouch, GTE and Bell Atlantic wireless subscribers choose their long distance product
- ➔ Significant new source of revenue
- ➔ Good margins are possible
- ➔ Many types of differentiated service (mobile, fixed, voice, data, enhanced services)
- ➔ Demonstrably better service than cellular
- ➔ Friendly PCS wholesalers are emerging



# The Next*Wave* Philosophy

- ➔ Resellers are our customer
- ➔ We want to do business cooperatively
- ➔ We succeed only if our resellers succeed



## Bottom Line

- ➔ **C-block licensees collectively possess comparable talent to national carriers**
- ➔ **C-block licensees collectively add value to wireless market**
- ➔ **NextWave has made the fifth largest payment of over \$500 million to the FCC among all the bidders in all PCS auctions**
- ➔ **NextWave's business plan and business strategy are viable and financable**